Necessary action as per the provisions of Law would be taken in the matter.

RBI directive to Sanchayani Savings and Investments Ltd.

2032. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Reserve Bank of India has directed the Sanchayani Savings & Investments Limited to accept deposits from the public investors;

(b) if so, the details thereof and the reasons therefor;

(c) whether similar action has been taken against any other Residuary Non-Banking Finance Companies guilty of similar lapses; and

(d) if so, tne details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir.

(b) Does not arise.

(c) No, Sir.

(d) Does not arise.

Finance Ministers' Conference on Service Tax

2033. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that in the Finance Ministers' conference recently, the Finance Minister of Andhra Pradesh made a strong plea for enacting a legislation to bring services under the Concurrent List and empower the States to levy tax on services;

(b) if so, what is Government's reaction thereto; and

(c) what other major decisions were taken at the Conference for improving the resources position of the State Governments so as to scale down their large fiscal deficits?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) Appropriate action in this regard has been initiated by the Central Government.

(c) The primary responsibility for addressing the problem of unsustainable levels of fiscal deficit rests with the State Governments. However, Government of India, in pursuance of the recommendations of the Eleventh Finance Commission, has created a State's Fiscal Reforms Facility (2000-01 to 2004-05). States have been invited to draw their Medium Term Fiscal Reforms Programme aimed at improving revenue deficit/surplus and attaining sustainable fiscal deficit in the medium term. Besides, Government of India have also put forward a proposal for debt swap to enable States to retire high cost debt to facilitate the process of fiscal consolidation.

Sale of Insurance through Panchayats and NGOs

2034. SHRI S.M. LAL JAN BASHA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government have announced a policy which will allow NGOs and Panchayats to sell insurance;

(b) if so, what are the details in this regard;

(c) what are the reasons for giving such permission;

(d) whether this will benefit the public; and

(e) if so, the reasons for change in the earlier policy?

THE MINISTER OF STATE FOR FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Yes, Sir. The Insurance Regulatory and Development Authority (Licensing of Corporate Agents) Regulations, 2002 provide that among others, panchayats, local authorities and co-operative societies or non-governmental organisations covered under the Co-operative Societies Act, 1912 may be permitted to sell insurance products.

(c) to (e) Number of representations have been made to the Government for allowing co-operatives and other rural bodies into insurance